

Companies pushed to be carbon neutral by 2050; Major investors intend to ramp up pressure to meet Paris accord goals

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Body

The largest investor initiative tackling climate change says after two years of talking to the most polluting companies, data show most haven't aligned their businesses with the Paris accord and that its members need to ramp up pressure.

The group, which oversees \$35 trillion (U.S.) and is known as the Climate Action 100+, says only nine per cent of the most polluting companies are aligned with 2 C warming targets. The group hopes its members can push corporate boards to change and work toward cutting their net emissions to zero by 2050.

Climate Action 100+ has already pushed some companies, including oil majors Royal Dutch Shell Plc and BP Plc, to act more aggressively in cutting carbon emissions as the world seeks to reduce the risks of climate change. While those were key victories for the group, they're now indicating it was only the opening salvo of a bigger battle.

"Investor engagement through Climate Action 100+ is playing a major role in changing corporate attitudes on climate change," said Stephanie Pfeifer, the vice-chair of the initiative, in a statement.

"We must now build on the momentum achieved to date if we are to succeed in addressing the climate crisis."

The global investor group formed in 2017, aimed at identifying the largest corporate emitters and then using members' ability to talk to directors and managers, file shareholder resolutions and vote at annual general meetings to nudge companies toward acting on climate change. Some of its 373 members have persuaded the hard-nosed miner Glencore Plc to cap its thermal coal output and gotten shipping giant AP Moller-Maersk A/S to commit to carbon neutrality by 2050, among other accomplishments.

Still, Climate Action 100+ said in a report there are "crucial" weaknesses in the corporate approach to the issue of climate change that need to be addressed. In addition to the large number of companies which would push the world toward warming more than 2 C with their current business strategies, companies are also lobbying governments in ways that prevent helpful policies.

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